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Argentine Wheat Policy
Agriculture in Cyprus

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Cypriots picking grapes, the island's third largest crop and an important agricultural export. For a look at the agricultural situation in Cyprus —at the end of its first decade of independence— see article beginning page 6.

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Argentines Look at

By JOSEPH C. DODSON
U.S. Agricultural Attaché, Buenos Aires

The role of wheat in Argentina's agricultural production and trade is a focus of discussion in the country at the present time.

This is due in part to the current depression in world wheat prices resulting from oversupplies in the principal producing countries. But another reason for the re-evaluation, at least on the part of farmers, of wheat as an enterprise is the disappointing yields obtained with recent crops, due to bad breaks with the weather. And still another is consideration of the relative advantage of wheat production when compared with alternative possibilities such as feedgrains, oilseeds, and livestock. In a substantial part of the Pampa, the farmer has these options.

The world market slump of the past 2 years has affected Argentina less than the other major exporters because relatively poor crops have limited the export supply. All available wheat was sold; in fact, the country had to import wheat in 1969 for the domestic market, after meeting its export commitments. It has felt the price pinch along with the other suppliers, however. The latest price to Brazil (the largest customer) was $50 per metric ton f.o.b. At this price the government is estimated to be losing about $2 per ton, considering acquisition from farmers at the support price and other costs.

Drought has caused some wide swings in wheat yields, and there has been some shift to less vulnerable crops.

Wheat yields have been vulnerable to Argentina's erratic weather—mainly the frequent droughts. During the past 10 years national average yields have ranged from 983 to 1,835 kilograms per hectare (about 15 to 27 bushels per acre). After the yields of 1,835 kilograms in 1964-65, there was a decline to 1,281 (19 bushels) in the following season. Yield variations for corn, though significant, have been substantially less than those for wheat.

Area planted to wheat for the most recent crop declined, after three successive increases. This was partly due to dry weather at seeding time, but also reflected an intentional shift to other crops, including corn, grain sorghum, and flaxseed. The two feedgrains have brought generally good returns to producers in recent years, and they fit in well with Argentina's livestock production. Grain sorghum is especially well adapted to the Argentine agricultural situation because of its tolerance for dry weather.

As recently as 3 years ago the farmers were being urged by government authorities to maximize their plantings of wheat. A production goal of 12 million metric tons was

Their National Wheat Policy

mentioned—against a then-average level of about 7 million tons. To encourage this, a sizable increase in the support price was provided. However, with the change in the world market situation in 1968 the government made only a nominal increase in the support price for the 1968-69 crop. For the 1969-70 crop the price remained the same. The government had shifted policy away from encouragement of larger plantings. The effect was shown in a 7-percent reduction in 1969-70.

Argentina's Secretary of Agriculture warns farmers that wheat production goals need thought.

These factors were in the minds of farmers and officials when the annual National Wheat Festival was held in the Province of Córdoba in February of this year. Traditionally, on that occasion, the producers look to officialdom for clarification of government policies and guidance on their wheat production plans. The Secretary of Agriculture takes the lead. At the Festival he said: "We must be attentive to what occurs in the international market. To give an idea of an appropriate production level under today's conditions, I would say some 7 to 8 million tons."

The Secretary of Agriculture went on to make reference then to earlier, more ambitious goals. "Three years ago I stated that I believe we should produce larger volumes. The circumstances have changed somewhat, and perhaps a crop of 10, 11, or 12 million tons under present conditions would pose problems of placement. But equally the fixing of an average of 8 million tons could affect us adversely in the future when there could be the possibility of placing larger quantities. International commerce is not an opportunistic matter, but one of continuity in trade relations. In Argentina we have had sobering examples of thinking only of the short term."

Top officials of the National Grain Board were present and discussed the wheat situation. The Board's chief specialist on international trade expressed the view that world wheat prices may have reached their minimum level, and said the outlook for wheat trade is not necessarily pessimistic. He pointed out that several producing countries are cutting back on wheat area to reduce their surpluses.

Subsequent to the expressions at the Festival, the strong Argentine Agrarian Federation called on the government to define its wheat policies for the future, charging that present policies are " totally disjointed and lacking in the minimum degree of coherence." Its criticism included noncompensatory prices; the two-price (support and minimum) system, which it said led to speculation and selling at the minimum level by many producers who need quick cash; and the export taxes on wheat, which were calculated at $5.99 per ton, "to the direct prejudice of the producer as well as to national development."

The Federation said that since 1940 there has been a declining tendency in Argentine wheat production in contrast to the sharp expansion by other major producing countries.

One change in wheat policy that has received strong support from the Minister of Economy, the Secretary of Agriculture, and the National Grain Board relates to carryover stocks, or reserves. In the past there has been little effort to maintain a reserve. Export sales continued, if possible, until the bins were virtually empty when the new harvest began. Recent unhappy results of this policy have pointed up the need for a change. Poor harvests, with little or no carryover, have forced Argentina in some cases to relinquish traditional markets—an action harmful to its long-term trade—or to import wheat for domestic use so as to supply those traditional outlets—a costly process. The former happened in 1967, the latter in both 1967 and 1969.

Considering the sharp variations in production that frequently occur, the maintenance of an adequate reserve to "smooth out" supplies for export and domestic consumption is especially important.

The Secretary of Agriculture has cited 1 million tons as a desirable reserve level. This might not be feasible in one year, he said, but a start should be made with around a half million.

Other aspects of wheat policy are receiving attention. These include improvement of the warrant system for financing deliveries by farmers; expansion of durum production in view of the better world market for this type; use of fertilizers; establishment of protein guarantees for export sales; port improvement to accommodate larger vessels for grain shipments; and Argentina's position in the International Grains Arrangement.

ARGENTINA'S WHEAT EXPORTS

Calendar year	Quantity	Calendar year	Quantity
Average:	*1,000 metric tons*	Average:	*1,000 metric tons*
1936-40	3,165	1956-60	2,437
1941-45	2,241	1961-65	3,020
1946-50	2,092	1966-69 [1]	2,949
1951-55	2,321		

[1] 4-year average.

ARGENTINA'S WHEAT AREA, YIELD, AND PRODUCTION

Crop year [1]	Area		Yield	Production
	Planted	Harvested		
Average:	*1,000 hectares*	*1,000 hectares*	*Kilograms per harvested hectare*	*1,000 metric tons*
1936-40	7,553	6,408	942	6,036
1941-45	6,860	5,575	1,145	6,384
1946-50	5,877	4,627	1,140	6,273
1951-55	5,940	4,804	1,178	5,884
1956-60	5,394	4,694	1,309	6,143
1961-65	5,369	4,671	1,481	7,117
1966-70	6,250	5,252	1,207	6,437

[1] Harvest completed early in year shown.

Note: Hectare=2.471 acres; kilogram=2.2046 lb.

There is a provision for issuance of warrants to producers on delivery of wheat to official installations. Farmers may obtain loans on these warrants from the Banco de la Nacion. The system is little used, however. The small number of official installations, about 65, limits its scope. Further, many producers require immediate payment and choose to sell outright as soon as the grain is harvested, even though at possible sacrifice prices. If the system were applicable to private institutions such as cooperatives, its use probably would expand substantially (which might bring on financing problems for the bank). In any case, the authorities recognize the need for change in payment and financing procedures which would improve the farmer's income and avoid the heavy influx of wheat to the elevators at harvesttime, and the matter is under study.

Production of durum wheat is now confined to an area in southern Buenos Aires Province. Production has averaged around 500,000 metric tons annually (excellent yields this year brought a crop of more than 700,000). Most of the durum is exported, and demand over the years has been such that there have been no problems of placement, at relatively good prices. The question has arisen as to whether the durum area can be expanded. A problem is that varieties of durum are few, and they are specifically adapted to the present producing zone. When they were tried in other areas, yields and quality declined. Nevertheless, experimental work is underway with the hope that varieties can be developed which will permit an extension of the durum area.

No fertilizer is used on wheat. Experiments have shown that yields respond well to fertilizer and—at least in some cases—that the increased returns would justify its use. However, further research is necessary, especially in varietal adaptation. There is general recognition that Argentina must move in the direction of fertilizer usage, and the Secretary of Agriculture has promised that studies directed to that end will be accelerated.

Despite some marketing and shipping problems, Argentina will watch the world market for developing opportunities.

In its wheat export standards and marketing, Argentina does not provide for the sale of wheat on a guaranteed protein basis. Traders do specify ports of export for which average samples and protein averages are known. The inability of Argentina to sell on a guaranteed protein basis presents obstacles in certain markets, such as Western Europe and Japan, which generally buy on a specified protein basis because of the more refined requirements of their millers. On the other hand, much of Argentina's export business is to countries which are more interested in price than in protein content. The Grain Board is studying the feasibility of establishing some form of protein standard. A part of such a program probably would be the establishment of premium payments to producers of higher protein wheat. There is no such incentive at present. Further, the system would need to be changed to provide for protein determination and grading at the point of origin rather than at the ports as at present. Otherwise the exporters would have difficulty in collecting wheat in the interior to fulfill export contracts that have been negotiated on a protein basis.

In its exports of grains the country is disadvantaged on freight rates and on rate of movement because of the limited size of vessels its ports can accommodate. The shallow harbors are now limited to vessels of not more than 20-25,000 tons. The government is studying the feasibility of creating a deepwater port, at a location not yet determined. This would offer an obvious advantage for the wheat trade. The completion of such a port and its entry into operation would, of course, be years away.

Although Argentina has had no problem in disposing of its scarce export availabilities of wheat in the past 3 years, authorities have been perturbed by the deteriorating world market because of the current decline in prices as well as the future impact in years when the country may have more wheat to offer. The government supports, and can be expected to continue to support, an effective International Grains Arrangement. The country's major newspaper, *La Prensa,* editorialized: "The Wheat Agreement (IGA) has failed, although the situation would be much more difficult without the base for prices it has provided. If the policy of this country is to produce more wheat, Argentina should take the lead in the Wheat Council in seeking solutions to the problems if other countries do not do so."

In the short run Argentina's policy will be to produce enough wheat to meet its domestic requirements plus the quantity needed to supply its traditional markets in Latin America and Europe. Domestic needs are about 4 million tons annually and the normal export to "traditional markets" may be considered as around 3 million. This would call for a production level of around 7 million tons. With average yields, that level is feasible on a lower area than at present, and the area probably will decline. Until world prices recover, the government will not encourage higher production. It has no means of controlling production except through the support price program. That can be effective, however, where the farmer has alternatives, as he generally does in Argentina. An effort will be made to build up a reserve, and this could accommodate a somewhat higher level of wheat production for the short term without at the same time raising the problem of surplus stocks.

For the longer term the government policy on wheat production will be pragmatic. An eye will be kept on the world market for developing opportunities. Emphasis will be on technological advancement such as improved varieties and the use of fertilizer. Some downward trend in seeded area is likely, but with increasing yields which will bring some rise in production. Two recent independent projection studies, based on present and anticipated trends, came up with similar projections for 1975 or around 5.5 million hectares (13.6 million acres) planted and production of about 8.5 million tons. That level would provide an export availability of 4 million to 4.5 million metric tons. Significant variations in production and exports from year to year probably will continue, though their occurrence may be lessened by changes and improvements in technology.

Argentina has the capability to produce a much larger volume of wheat and might do so in the future if conditions change. But for the present the competition from other grains and livestock and the weak world wheat market preclude any major expansion.

1969 in Retrospect—

Irish Agriculture Lags Behind Rest of Economy

The overall result of combining the various segments of the Irish Republic's economy into a composite gives a picture that looks good, but not too good. The gross national product increased by about 3.5 percent in 1969 but the figure was less than for the previous 2 years, and was also less than the 4.4 percent envisaged in the government's Third Program for Development during the years 1969-72. Industrial output over the past decade has been advancing annually by about 6 percent, and the service segment by some 3 percent, while agriculture has been growing at a rate of about 1 percent.

Agriculture accounts for nearly one-fifth of GNP, and slightly less than one-half of Ireland's total exports. Farm labor still accounts for one-fourth of the total work force, although for a decade some 9,000 persons have been leaving the farm annually.

Inflation is a problem

In addition to the slowing down of the economy, there have been indications that inflation is going to be a problem. At the same time the trade imbalance has worsened. Provisional figures for 1969 indicate that the trade deficit increased by some $132 million to $525 million.

Gross agricultural output (GAO)[1] for 1969 is estimated at $726.2 million, 3 percent greater than for 1968. Increased outputs of both livestock and crops accounted for the GAO increase. Net agricultural output, valued at $552 million, also increased but at a slower rate than GAO owing to increased expenditures for fertilizers and feed. Even with a government support of $204 million, compared to a support of about $96 million 10 years ago, average farm incomes are no better today in relation to the rest of the community than they were a decade ago.

Livestock and livestock products generally make up approximately 80 percent of Ireland's gross agricultural output. Cattle and milk by themselves account for more than one-half of total output. Preliminary figures of the country's cattle and milk output during 1969 are favorable and indicate that it was a good year for Irish farming. Gross output of livestock and livestock products during 1969 is estimated at $59.2 million, 3.5 percent above the 1968 volume. Gross receipts from practically all products were up; the biggest increase was from hog production.

Cattle production in 1969 is estimated at 1.26 million head, almost 50,000 fewer than in 1968. Live cattle exports are estimated at approximately 570,000 head compared with 625,000 during 1968. Of this total, less than 550,000 went to the United Kingdom. This export figure fell well short of the target figure—638,000 head—set in the Anglo-Irish Free Trade Area Agreement. Important among the factors that caused this poor showing was that some Irish cattle raisers, confident of the future outlook for cattle sales, held their stock for extra feeding. At the same time, however, U.K. farmers were holding on to their cattle because of a grass shortage and because of more expensive and less regular ocean shipping schedules.

Total production of beef last year is estimated at 198,000 metric tons, 2.5 percent above 1968 production. Domestic consumption amounted to 52,000 tons; the rest was exported.

Sheep and lamb output is estimated at 1.57 million head, down 8 percent under the 1968 level. Total production of mutton and lamb is estimated at 41,000 tons with domestic consumption accounting for about 30,000 tons.

Hog output during 1969 is estimated at an alltime high and for the first time passed the 2-million mark. This exceeded the 1968 output by 13 percent and the previous highest output in 1965 by 4.5 percent. However, the 1969 estimate may be inflated because of the rising numbers of smuggled hogs from Northern Ireland.

Pork meat production for the year is estimated at 140,000 metric tons, 14 percent over the previous year. Practically all the increase was exported. The home market absorbed about 75,000 tons, a marginal increase over 1968.

Milk output during 1969—at 6,914.4 million pounds—was fractionally down from the 1968 level. Creamery use of milk during 1969 was lower than in previous years and may be an indication that the boom in milk output for manufacturing purposes is over. The average price per gallon received by producers increased only marginally over 1968 prices, and toward the end of the year producers received less for large volume supplies. This was due to the introduction of the multi-tier price support which favors smaller outputs.

Total output of poultry during 1969 is estimated at 18.4 million birds with broiler production—at 18,000 tons—accounting for over 75 percent of the total. Production of poultry meat is estimated at almost 28,000 tons (dressed basis).

Crop output up 1.6 percent in value

The estimated value of crop output during 1969 was $13.2 million, an increase of 1.6 percent over the 1968 level. Increases in the output of barley, potatoes, and fruits offset declines in wheat, sugarbeets, and oats. Total area of both grains and root crops was less than in the previous year. The decline in wheat and sugarbeets, two of the country's main cash crops, was to some extent expected. Areas of these crops tend to decline after a period of favorable cattle prices such as those of late 1968 and early 1969.

Wheat production is now estimated at 325,000 metric tons. Practically all the crop was suitable for milling. However, its protein content was described by the millers as being critically low. Production in excess of needs for milling and seed was about 75,000 tons. The surplus was converted into lower priced animal feed.

Based on a dispatch from EUGENE T. RANSOM
U.S. Agricultural Attaché, Dublin

[1] The definitions of gross agricultural output in this report are the same as those used by the General Statistics Office in Dublin. The GAO is that part of total production which is either sold from farms or consumed by persons on farms. Excluded is that part used for agricultural production on the producing farm or sold to another farm. GAO is valued according to the prices which farmers actually received for various commodities. Net agricultural output is gross agricultural output minus the costs of feed, seed, and fertilizers. Total production is the total quantity of the crop harvested while output is the amount sold off the farms or consumed by persons in farm households.

Kalopanayiotis dam, Paphos, part of program to increase Cyprus' water supply.

In First Decade of Independence— Agriculture in Cyprus Has Made Great Strides

By MICHAEL E. KURTZIG
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The Mediterranean island of Cyprus celebrates this year the tenth anniversary of its independence from British rule. Stormy as its history has often been, both before and since it achieved this goal, agriculture—the mainstay of its economy—has made notable progress during the decade. Growth of the citrus industry has been outstanding. Grapes, potatoes, and grains are doing well, and the livestock industry has been singled out for intensive development effort by the Cypriot Government.

This island of about 3,500 square miles—less than half the size of New Jersey—lies at the eastern end of the Mediterranean Sea, some 50 miles south of Turkey and west of Syria. The past is strong in Cyprus. The castles of the crusaders still guard the harbors, and the British civil servants who relinquished their posts to Cypriots in 1960 were only the latest in a long series of administrators—Egyptians, Persians, Greeks, Romans, Franks, Venetians, and Turks.

In agriculture, too, the past keeps its hold. Some of the agricultural problems Cyprus faces are due to the survival of ancient practices and traditions—in the ownership and herding of livestock, in land tenure, in water use and supply. These are among the problems the government is tackling in a series of 5-year plans, the second of which began in 1968.

Measures of agricultural progress

During the first decade of Cypriot independence, the index for total agricultural production (as a percentage of 1957-59) rose from 95 in 1960 to 209 in 1969. The index of per capita agricultural production—which takes population growth into account—rose to 185.

This growth compares very favorably with that in neighboring Mediterranean countries—Israel, Turkey, and the United Arab Republic (UAR). In these countries, the indices for total agricultural production rose at least slightly: Israel's from 116 to 201, Turkey's from 106 to 132, and the UAR's from 108 to 122. For per capita agricultural production, however, Israel's index rose only from 110 to 143, Turkey's remained the same at 100, and the UAR's declined from 103 to 93.

The percent of the Cypriot working population employed in agriculture declined slightly during the decade: In 1960, there were 235,000 economically active Cypriots, 40.3 percent in agriculture, forestry, and fishing; in 1967, there were 254,000 economically active Cypriots, 39.2 percent in agriculture, forestry, and fishing.

Fruits and grains

The biggest increase in the agricultural production of Cyprus has occurred in its most important product—citrus. Orange production rose from an average of 39,000 metric tons in 1960 to 115,000 tons in 1969. In the same period production of lemons increased from 7,000 tons to 25,000, and production of grapefruit from 9,000 tons to 45,000.

Water shortage in the Famagusta area has caused a shift of citrus plantations to the Morphou area in north-central Cyprus. It has been estimated that by 1975 the immediate Morphou area will contain 75 percent of the total citrus area and will produce 225,000 metric tons of citrus—20 percent more than the total 1969 Cypriot citrus production of 185,000 tons. Total citrus production in 1975 may be over 300,000 metric tons.

Almost as impressive as the citrus increase has been the rise in the production of potatoes and grapes. Potato production

increased from 71,000 metric tons in 1960 to over 200,000 tons in 1968 and 140,000 tons in 1969. Production of grapes increased from 104,000 metric tons in 1960 to 182,000 tons in 1969.

The production of grains fluctuates with the rains. In 1969 an excellent crop was harvested—190,000 tons composed of 85,000 tons of wheat and the rest of barley. This was more than two-thirds greater than the wheat and barley production of 1968 (which was a drought year)—110,000 tons—and of 1960—95,000 tons.

Livestock industry

During the decade, production of beef and veal has made substantial gains. In 1960, 2,000 metric tons of beef and veal were produced; in 1968, 4,500 tons. A major increase in production of pork is also taking place. In 1960, 1,100 tons of pork were produced; in 1968, 8,000 tons. Sheep and goat meat production has also increased, as has poultry meat and egg production. Despite this growth, imports of meat and meat preparations have increased from 4,000 tons in 1960 to over 6,000 tons in 1968.

The Government of Cyprus is making a concerted effort to increase beef production. This field was singled out for development under the First Five-Year Plan (1963-67). Volume of livestock production increased almost one and a half times between 1961 and 1968. In 1968 production was valued at $26 million, about 30 percent of the total value of agricultural production and a 50-percent increase over the value of 1967 production. However, part of this increase in livestock production was due to higher prices.

One obstacle to increased livestock production is that animal husbandry has remained a separate industry. Even those livestock owners who are not nomadic but live on settled farms do not usually own their land. Animal raising and crop production are separate, often conflicting, enterprises.

To counter this and to stimulate animal raising, mixed farm projects have been instituted and a combination of stock and crop farming is being established. Through this agricultural reorganization, the government hopes the typical Cypriot farm will become capable both of growing crops and of raising livestock.

A number of projects—improvements in slaughtering facilities and methods and mixed-farming projects to stimulate animal raising—are presently underway or soon to be undertaken that should increase the gross value of beef production by about 50 percent. In addition, the government intends to encourage the raising of dual-purpose meat and milk cattle. This is an attempt to make Cyprus self-sufficient in its meat needs and also to reduce the outlay of foreign reserves for meat and livestock products.

Agricultural trade

Cyprus has consistently had a large balance of payments deficit in its trading account. Invisible earnings, however, have more than compensated for this deficit. In 1967, for example, imports exceeded exports by $61 million, but invisibles such

Below left, citrus packaging plant in Morphou. Upper right, sheep grazing near wheat fields in main growing area of Cyprus, between Nicosia and Famagusta, just south of the Kyrenia mountains. Bottom right, citrus being loaded in the port of Famagusta for export to the European market. (Photos by author.)

as tourism, Turkish cash subsidies to the Turkish-Cypriot community, spending by the British Government—which still maintains permanent bases on the island—and spending by the United Nations peace-keeping forces all contributed to a favorable balance of payments.

Agriculture remains important in the trade of Cyprus. In 1960, as the first decade of independence began, about 19 percent of the $104-million import total, or about $20.1 million, was agricultural products; in 1968, such products accounted for about 12.5 percent, or about $21.3 million, of the import total of $170 million.

Chief agricultural imports during the 1960's have been meat and meat preparations, dairy products, grains and preparations, fruits and vegetables, livestock, feeds, animal and vegetable oils, and sugar.

On the export side, agriculture has gained in importance. In 1960, agricultural exports accounted for about 40 percent, or slightly over $18 million, of the $45-million export total. By 1968 the agricultural share was more than 54 percent or $48 million worth of total exports of $88.7 million.

Between 1963 and 1967 alone—the years of the First Five-Year Plan—the value of agricultural exports increased by about two-thirds from $28 million to $47 million. Citrus and potatoes together accounted for 54 percent of the increase; grapes and other vine products, for 22 percent.

By far the biggest export item in 1968 was citrus, valued at around $16.3 million, comprising 18.3 percent of total exports and 33 percent of agricultural exports. Citrus was followed by potatoes at $10.6 million. These are striking increases from the 1960 figures—citrus $4.9 million and potatoes $3.4 million. Citrus was No. 1 among agricultural exports throughout the decade, except for 1967, when potato exports were No. 1.

Exports of citrus and other agricultural products should continue to increase at the same rate or even above that of the years of the First Five-Year Plan; by 1975 when half of the expected goal of citrus production is to be reached, citrus exports should be approximately 240,000 metric tons.

Cyprus as a citrus competitor

Cyprus itself is not a major U.S. competitor for the West European citrus market—principally the United Kingdom, West Germany, and France. But it has become during the decade one of a group of smaller exporters whose total sales constitute a challenge to the United States.

Most Cyprus sales of oranges are in the winter when the United States—although a year-round producer—only exports small quantities to the European market because the winter producers in the Mediterranean countries can sell so much more cheaply—as a result of their proximity to the market. Although Cyprus sales of oranges are relatively small, its sales of lemons and grapefruit—especially grapefruit—do, however, compete; and these are products that the United States sells all year round. In calendar year 1968 Cyprus was the fourth most important supplier of lemons and the third most important supplier of grapefruit to Europe.

The Five-Year Plans

Important strides were made in the agricultural sector during the First Five-Year Plan, 1963-67. Measured at constant prices (1966), the value added to agriculture increased at the compound rate of 7.2 per year during 1961-66. This increase brought about substantial improvement in the standard of living in most rural areas. Agriculture's contribution to gross domestic product increased from 18 percent in 1961 to 20 percent in 1966.

The Second Five-Year Plan, which began in 1967, calls for even more vigorous programs than did the First Plan. It attacks the problems of land consolidation, rational use of water, and the role of improved inputs. There is also an effort to increase cattle raising, although its success is not yet assured.

Even so, Cyprus still faces considerable problems. A serious obstacle to continued agricultural growth is the land tenure system; 65 percent of the area cultivated is divided into holdings of 20 acres or less; of 69,000 land holdings, most are small and cut into plots totaling 2½ acres or less, sometimes scattered over wide distances. Unless land consolidation can be achieved, problems of introducing modern farming systems and machinery as well as the improvement of the livestock situation will continue.

Water resources

The second problem which hampers Cypriot agriculture and will continue to do so is water. Irrigation, which has been necessary to Cyprus throughout its history, provided the base for the quick growth in production of citrus and potatoes. Rainfed agriculture and livestock, however, still account for much of the gross value of agricultural output.

Since 1959 total irrigated area has increased by almost 40 percent to 166,000 acres in 1966. Another 121,000 acres—mostly of cereal—received irregular irrigation. In 1966 irrigated crops covered only 11 percent of the cultivated area, but they contributed 52 percent of the total plant production; dryland crops, which comprised 89 percent of the area, contributed 48 percent of the production. Yields from irrigated areas are on the average 8½ times greater than those from dryfarm areas.

Despite the importance of water in Cyprus, approximately half the water which reaches the fields is wasted because of primitive irrigation methods. Earthen channels and unlevel land result in uneven distribution of water. The greatest waste takes place in areas where water is most needed—in Morphou, Famagusta, and Limassol, where nearly all citrus production takes place. In the affected areas the government has established a policy to limit the expansion of citrus plantations, primarily because of the water shortage. Thus, production increases are more a factor of available water than of available land.

Another aspect of the water problem is the use of ground water resources. While the government has taken action to reduce deep-well drilling, there are still strong indications that the future of irrigated agriculture in Cyprus will be seriously jeopardized if uncontrolled mining of the underground water supply continues.

A view of the future

Despite the progress made in the first decade of independence, the future of Cypriot agriculture lies mainly in the greater use of modern practices. Land suitable for cultivation is limited, as is the availability of water. Nevertheless, the outlook for Cypriot agriculture is good if the Cypriots can press forward with programs of mechanization, optimum uses of water and improved farming methods, as well as wider uses of fertilizers and pesticides and the development of the livestock industry.

The Second World Food Congress

THE HAGUE
JUNE 16-30, 1970

The Problem ➡

The problem is one for all the world to face—providing adequate food of high nutritional value for this planet's burgeoning population. Current population stands well over the 3-billion mark and if the present rate of growth continues, it is expected to double by the year 2006.

Some Solutions ⬇

The answer to the problem of feeding a burgeoning world population consists of many simple solutions plus some very complex ones. Some of the simple ones include introducing farmers to new crops and seeds, training skilled farm technicians and scientists, and teaching farmers to use new tools and techniques. The Food and Agriculture Organization of the United Nations (FAO) is working with many countries to do these things, and many others. As examples: FAO workers taught Andean Indian farmers to use selected wheat seed and fertilizers for larger crops; they are helping to train agronomists in Cameroon (both below); and are training Ethiopian farmers to use more efficient, modern hand tools to increase production (below right). How to increase world food output will be the thrust of the Second World Food Congress at the Hague, June 16-30, 1970.

WHY? The First World Food Congress met in 1963, in Washington, D.C., and adopted a resolution which included a recommendation for: "Holding a World Food Congress periodically to review a world survey, presented by the Director-General of FAO, of the world food situation in relation to population and overall development, together with a proposed program of action."

WHERE? The Netherlands Conference Center, The Hague.

WHEN? June 16 to 30, 1970.

WHO? • Individuals nominated by governments • Members of nongovernmental organizations: religious, farm, youth, business, industrial, trade union, scientific, technical • Representatives from all national Freedom From Hunger campaign committees, and United Nations and Specialized Agencies.

WHAT? To discuss the Indicative World Plan for Agricultural Development and its major findings as the response to the resolution passed by the First World Food Congress.

Consider action in the following five areas:
—high-yielding cereal varieties
—closing the protein gap
—war on waste
—mobilizing human resources
—foreign exchange earnings and savings

Recommend specific actions and suggest how they can be carried out.

Shopping in Siam

Supermarket Scenes U.S. Foods Abroad

Left, shoppers at Dairy Lane—Bangkok's only self-service store—the site of the first POP promotion of U.S. foods in Thailand. The promotion, held last December, introduced many new food items to the expanding Thai market. Among the featured products were kidney and pinto beans, instant milk, breakfast cereal, and frozen whole turkey.

Norway—"Fine Foods" in Oslo

Decorative window displays such as the one at left attracted Oslo shoppers to "Fine Foods From the USA" at POP's held in the four Lorentzen supermarkets last fall. Fruits and vegetables, pictured right, as well as 14 new items including canned pineapple juice and salad dressing, were featured during the promotion.

Swiss-Wide Fruit and Vegetable POP

Right, a truck carrying U.S. iceberg lettuce arrives at a store of the Migros chain. A Swiss-wide promotion of U.S. fruits and vegetables featuring iceberg lettuce was held in the chain last February. The lettuce was so popular that many Migros stores continued to stock it through the spring months.

Lemonade and "citrus culture" attract Expogoers to the Sunkist exhibit.

Citrus "Happening" at Expo '70

Lemonade—the popular American thirst quencher—is fast becoming a favorite beverage at Japan's Expo '70. Visitors are stopping by the Sunkist exhibit, sponsored by the California-Arizona Citrus League, to try some freshly squeezed lemonade and learn about citrus culture in the United States.

Citrus production from grove to packing house can be seen through five polyoptic viewing posts, and in the "Sunkist in Motion" area films, music, and lemon aroma shot from atomizers team up for a real citrus "happening."

Wheat Dishes at Far East Conference

La Mien (stretched noodle), Cha-Shao-Bao (barbecue pork buns), and Sui-Chiao (steamed dumplings) were just a few of the exotic dishes whipped up at a wheat flour foods demonstration held in Taipei in March as a highlight of the Western Wheat Associates' Far East Regional Conference.

Cooking demonstrations have been one of the most effective tools for increasing consumption of wheat flour in Taiwan. Since 1964 over 70,000 Taiwanese housewives have been exposed in this manner to ideas for wheat use.

Western Wheat Associates, in cooperation with USDA and Great Plains Wheat, Inc., conducts market development programs throughout Asia, working from regional offices in Tokyo, Taipei, Manila, and New Delhi. The market development effort has been underway for 10 years.

Filipinos Try New Bread

A new bread "Vita L-Lysine," is being produced on a limited scale by a Philippine flour mill and recently appeared on supermarket shelves. The flour used in the bread is fortified with lysine. Technically speaking, lysine completes the amino acid chain in the flour, which is essential in making the protein more nutritious and more easily utilized by the body. Basically, lysine fortification simply converts bread into a much more nutritious food.

If the product catches on, it is expected that commercial bakers will begin to produce it. The mills will then grind the special flour formula in commercial quantities.

Western Wheat Associates, the marketing arm for U.S. wheat in Asia, has encouraged lysine enrichment in the Philippines for the past 2 years. Fred Schneiter, Wheat Associates' Manila-based Marketing Director, explains, "A lysine-enriched bread is important to the Filipino consumer because of the rather serious dietary imbalance in the country. It is important to America's wheat industry because it can further enhance the image of bread and other wheat foods."

U.S. Cattle to Africa

On April 16, 302 head of U.S. breeding cattle embarked from Richmond's new Deepwater Terminal for Mozambique and Angola. The cattle were purchased under the Commodity Credit Corporation (CCC) Export Credit Sales Program and will be used to build up the livestock industries in those two African countries.

The shipment is composed of 109 bulls and 193 heifers and includes representatives of five breeds: Santa Gertrudis, Hereford, Brahman, Brown Swiss, and Holstein.

This was the first load to move by ship from the Deepwater Terminal—the nation's newest livestock assembly and loading facility. Two previous livestock shipments were assembled at the Terminal but were then moved to other points for embarkation.

Arkansas' Gov. Rockefeller, second from left, and Virginia's Gov. Holton, to his left, inspect a Hereford before loading at the Richmond Terminal.

CROPS AND MARKETS SHORTS

Weekly Rotterdam Grain Price Report

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	April 29	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	1.99	+2	1.93
USSR SKS-14	(1)	(1)	1.84
Australian Northern Hard	1.75	0	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.90	+3	1.87
15 percent	1.98	+1	1.91
U.S. No. 2 Hard Winter:			
13.5 percent	1.86	+4	1.82
Argentine	1.80	0	1.80
U.S. No. 2 Soft Red Winter	1.69	+5	1.67
Feedgrains:			
U.S. No. 3 Yellow corn	1.66	+6	1.47
Argentine Plate corn	1.67	+6	1.50
U.S. No. 2 sorghum	(1)	(1)	1.27
Argentine-Granifero	1.40	+7	1.24
Soybeans:			
U.S. No. 2 Yellow	3.09	+1	2.79

[1] Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Record Grain Crop in Argentina

A record sorghum harvest of 3.5 million tons and an above-average corn crop have pushed Argentine grain production to an estimated 21-million-ton high for the current crop year. This takes on added significance when it is noted that wheat, rye, barley, and oats production were all well below average. The 1969-70 total is about 1.4 million tons above the post-World War II record of 19.6 million in 1964-65 and exceeds the previous record of 20.1 million established in 1934-35.

ARGENTINE GRAIN PRODUCTION [1]

Commodity	1934-35	1964-65	1969-70 [2]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Wheat	6,550	11,260	6,800
Rye	397	652	377
Barley	781	826	570
Oats	901	805	425
Corn	11,480	5,140	9,400
Sorghum	—	857	3,500
Total	20,109	19,540	21,072

[1] The November 1969-January 1970 small grain harvests are combined with the February-April 1970 coarse grain harvests. [2] Preliminary.

Record production does not mean record exports, for several reasons. For example, domestic utilization has increased and carryin stocks at the beginning of the current marketing year were quite low. Last year's production of all grains was below normal and wheat was even imported so that export commitments and domestic needs could be fulfilled.

Thus, exports of all grains in calendar year 1970 are currently forecast at around 10 million tons. This would be 2 million more than a year ago, but nearly 2 million less than exports from the record crop one-third of a century ago. The 1970 export forecast includes over 7.8 million tons of feedgrains with the balance primarily wheat. The feedgrain-export figure is particularly noteworthy for Argentina, a country that has been and will undoubtedly continue to be the second largest exporter after the United States for many years.

ARGENTINE GRAIN EXPORTS
[Calendar year basis]

Commodity	1935	1965	1969	1970 [1]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Wheat	3,860	6,543	2,292	2,300
Rye	239	90	13	25
Barley	420	283	188	150
Oats	377	351	131	100
Corn	7,051	2,849	3,971	5,400
Sorghum	—	299	1,449	2,200
Total	11,947	10,415	8,044	10,175

[1] Estimated.

U.K. Import of 3 Cattle Breeds

The United Kingdom Minister of Agriculture has authorized the importation under certain conditions of Limousin cattle from France, Simmental from West Germany and Switzerland, and Meuse-Rhine-Ijessel from Holland. In addition, a further importation of Charolais by the Charolais Society has been authorized.

The imports will only be authorized provided that satisfactory veterinary conditions can be devised and quarantine arrangements observed. Prospective importers of Limousin and Simmental will be required to form breed societies responsible—in conjunction with the government departments concerned, the Meat and Livestock Commission, and artificial insemination organizations—for drafting a testing program for the evaluation of the merits of the breeds under British conditions.

The Ministry of Agriculture has also been asked for authorization to import Maine-Anjou and Blonde d'Aquitaine cattle from France. This request was turned down because the Ministry did not consider that at this time these breeds warrant import.

Livestock and Meat Product Trade Up

The value of livestock and meat product exports for the first 2 months of 1970 totaled $81.6 million—up 41 percent from the previous year. Tallow and grease exports at $23.5 million showed the greatest absolute increase in value: they were up from $14.6 million in 1969. Despite the increase in the value of tallow and grease exports, hides and skins at $25.0 million remain the major item in terms of value.

Livestock and meat product imports climbed to $221.4 million for the January-February 1970 period—up 90 percent

from 1969. Beef and veal imports at $117.7 million accounted for most of the increase in value.

Lard exports—at 65.6 million pounds—for the first 2 months of 1970 were almost 2½ times their total in the same period last year.

Total red meat exports in February—7.1 million pounds—were down 63 percent from February of 1969 owing to lower pork shipments to Canada and Japan. Pork production in Japan is expected to recover in 1970, so the high level of shipments to that country in 1968 and 1969 are unlikely to continue.

At 29.2 million pounds, variety meat exports are off to a good start in 1970. Totaling 15.6 million pounds in February alone, they were more than double their February 1969 total.

Red meat imports—at 323.7 million pounds—during the first 2 months of 1970 were more than double their 1969 total. Boneless beef shipments showed the largest increase in volume, going from 85.0 million pounds in 1969 to 204.1 million pounds for the same period of 1970. The tremendous reduction in imports in 1969, is, however, largely due to the dock strike in the early months of 1969 which served to reduce shipments during the first quarter of that year.

Live cattle imports—at 199.2 million pounds—for the 2-month period were up 16 percent from 1969 owing to greater feeder cattle imports from Mexico.

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS
[Product weight]

Commodity	February		January-February	
	1969	1970	1969	1970
	1,000	*1,000*	*1,000*	*1,000*
Animal fats:	*pounds*	*pounds*	*pounds*	*pounds*
Lard	14,046	38,075	25,768	62,596
Tallow and greases:				
Inedible	128,734	133,738	239,067	283,235
Edible	414	1,465	1,936	2,112
Meats:				
Beef and veal	1,883	1,983	3,950	4,564
Pork	15,433	3,752	28,763	7,517
Lamb and mutton	221	62	335	148
Sausages	336	396	546	791
Meat specialties	251	349	440	682
Other canned	994	586	1,766	1,433
Total red meats[1]	19,121	7,132	35,799	15,133
Variety meats	7,379	15,553	12,612	29,234
Sausage casings (animal origin)	586	883	897	1,796
Animal hair, including mohair	442	748	597	1,383
Hides and skins:				
Cattle parts	2,151	1,021	4,046	1,742
	1,000	*1,000*	*1,000*	*1,000*
	pieces	*pieces*	*pieces*	*pieces*
Cattle	898	1,439	1,869	2,592
Calf	68	72	125	124
Kip	31	23	54	47
Sheep and lamb	301	243	461	450
Horse	3	21	7	25
Goat and kid	6	31	6	52
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle and calves	4,048	2,381	6,298	6,224
Sheep, lambs, and goats	6,695	9,275	8,112	11,371
Hogs	2,252	1,682	3,805	3,011
Horses, asses, mules, and burros	171	290	842	1,547

[1] May not add due to rounding.
U.S. Department of Commerce, Bureau of the Census.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS
[Product weight]

Commodity	February		January-February	
	1969	1970	1969	1970
Red meats:				
Beef and veal:	*1,000*	*1,000*	*1,000*	*1,000*
Fresh, chilled or frozen:	*pounds*	*pounds*	*pounds*	*pounds*
Bone-in beef	1,957	1,922	3,034	4,584
Boneless beef	45,202	91,837	85,013	204,107
Cuts (prepared)	104	658	234	1,251
Veal	1,035	1,749	1,833	4,285
Canned beef:				
Corned	5,463	8,104	12,102	19,317
Other, including sausage	638	2,120	1,769	5,280
Prepared and preserved	5,597	3,782	7,874	9,118
Total beef and veal[1]	60,000	110,170	111,859	247,942
Pork:				
Fresh, chilled or frozen	3,056	3,919	6,785	8,438
Canned:				
Hams and shoulders	16,310	26,694	21,708	38,047
Other	1,544	1,818	2,303	4,788
Cured:				
Hams and shoulders	93	95	159	224
Other	261	265	502	602
Sausage	184	311	281	601
Total pork[1]	21,449	33,102	31,736	52,703
Mutton and goat	2,229	5,218	2,460	12,201
Lamb	1,088	2,862	1,753	5,793
Other sausage	514	714	691	1,583
Other meats	378	1,384	838	3,445
Total red meats[1]	85,659	153,451	149,336	323,668
Variety meats	143	580	384	1,267
Meat extract	189	55	258	128
Wool (clean basis):				
Dutiable	7,836	9,614	14,366	16,709
Duty-free	2,657	6,132	5,723	11,897
Total wool[1]	9,187	15,743	20,088	28,606
Animal hair (clean basis)	648	274	932	451
Hides and skins:				
Cattle parts	—	29	—	29
Sheep skins, pickled and split	1,156	845	1,450	1,686
	1,000	*1,000*	*1,000*	*1,000*
	pieces	*pieces*	*pieces*	*pieces*
Cattle	26	19	53	38
Calf and kip	47	32	187	121
Buffalo	59	5	61	26
Sheep and lamb	617	1,970	1,097	2,625
Goat and kid	180	425	248	1,225
Horse	8	14	15	27
Pig	29	23	71	212
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle[2]	83,352	96,761	172,251	199,193
Sheep	1	396	1	402
Hogs	359	1,882	1,387	3,368
Horses, asses, mules, and burros	114	148	375	275

[1] May not add due to rounding. [2] Includes cattle for breeding.
U.S. Department of Commerce, Bureau of the Census.

U.S. Cotton Exports for March

Exports of cotton amounted to 246,000 running bales in March 1970, compared with 325,000 in February and 130,000 in March a year earlier. About 18,000 bales were shipped to Romania, the first exports to this country since 1966. Also,

nearly 17,000 bales were exported to Poland, about the same volume as in February.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning Aug. 1				
	Average			Aug.-Mar.	
	1960-64	1967	1968	1968	1969
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	23	1	0	0	0
Belgium-Luxembourg	121	45	30	15	13
Denmark	14	10	1	1	(1)
Finland	17	11	3	2	6
France	319	148	88	48	23
Germany, West	269	100	31	14	21
Italy	345	253	62	32	36
Netherlands	110	36	19	11	13
Norway	13	7	5	3	1
Poland	125	77	106	92	51
Portugal	21	9	8	4	2
Romania	2	0	0	0	18
Spain	74	7	5	4	3
Sweden	81	75	51	23	32
Switzerland	74	60	32	17	12
United Kingdom	244	125	48	25	20
Yugoslavia	112	67	54	0	0
Other Europe	15	24	7	4	2
Total Europe	1,979	1,055	550	295	253
Algeria	9	13	27	7	10
Australia	61	17	0	0	(1)
Bolivia	7	0	0	0	0
Canada	353	142	108	68	116
Chile	18	1	(1)	(1)	1
Colombia	3	0	(1)	0	0
Congo (Kinshasa)	6	13	0	0	0
Ethiopia	9	22	9	8	1
Ghana	1	12	17	9	27
Hong Kong	148	299	194	113	47
India	314	342	174	5	117
Indonesia	40	70	105	47	116
Israel	15	4	1	1	(1)
Jamaica	4	1	2	1	2
Japan	1,192	1,103	536	280	438
Korea, Republic of	261	351	447	244	269
Morocco	12	35	19	7	12
Pakistan	14	18	1	0	9
Philippines	123	154	119	59	63
South Africa	41	23	9	6	3
Taiwan	209	378	259	103	112
Thailand	34	90	66	33	26
Tunisia	2	14	0	0	5
Uruguay	6	0	0	0	0
Venezuela	8	(1)	(1)	(1)	(1)
Vietnam, South	46	24	62	32	70
Other countries	9	25	26	11	9
Total	4,924	4,206	2,731	1,329	1,706

[1] Less than 500 bales.

Shipments in the first 8 months (August-March) of the current season totaled 1,706,000 bales, compared with 1,329,000 bales shipped during the same period a year earlier. Shipments to most of the major destinations were higher than in the same months last season. Exports to Japan and India were more than 100,000 bales higher, with smaller increases in exports to Indonesia, Canada, and South Vietnam. Shipments to Hong Kong and France were substantially less during this period than during the same months in the previous year.

French Milk and Butter Prices Up

The French Government has raised the reference target price for milk ex-dairy from $4.15 per hundredweight to $4.46. This price change brings the price more in line with the Common Market target price of $4.67 ex-dairy. This increased producer price was needed to balance the upward swing of prices during the past 6 months for pasteurized milk, butter, and milk powder. On the same date, the intervention, or support, price for butter was raised from 72 cents to 75 cents per pound.

Since devaluation of the French franc in August 1969, the government has been under pressure from producers and producer organizations to reestablish the producer target price ex-dairy at the Common Market level. This upward price revision makes up two-thirds of the price change caused by the devaluation. The action taken by France on the dairy target and intervention price for 1970-71 indicates that for the current marketing year, just as in the previous year, there will not be a uniform or common target price for the EC dairy industry. In the absence of an agreed-upon uniform producer price for the 1970-71 marketing year, the common target price of $4.67 that was in effect during the 1969-70 marketing year has been retained.

U.K. Butter Quotas 1970-1971

The United Kingdom Board of Trade has announced a butter quota for the current marketing year totaling 952 million pounds, an increase of almost 63 million pounds over the previous year. The government stated that the increase in import-quota authorizations was brought about to maintain a plentiful supply of butter on the market. It is estimated that U.K. butter production will be about the same as last year so that the increased quota should not have an adverse effect on domestic supplies.

This feeling is not shared by either National Farmers Union or the Milk Marketing Boards. Both organizations fear that the quota increase will help depress the price of manufacturing milk, which would result in lowering of the pool price.

Quotas were increased for all countries except Argentina and Kenya.

Individual country quotas were changed by varying degrees. The largest quota holders, namely New Zealand, Denmark, Australia, and Ireland, had the smallest percentage increases.

U.K. BUTTER QUOTAS

Country of quota allocation	1969-70[1]	1970-71[1]
	1,000 lb.	*1,000 lb.*
New Zealand	380,800	394,240
Denmark	208,622	209,440
Australia	145,824	151,424
Ireland	58,240	67,200
Netherlands	19,645	27,328
Poland	19,398	27,014
Finland	18,189	25,312
Argentina	8,467	8,467
France	6,362	8,870
Sweden	5,958	8,288
Romania	4,525	6,318
All others[2]	13,250	18,099
Total	889,280	952,000

[1] Marketing year. [2] Includes Austria, Belgium, Bulgaria, Hungary, Kenya, Norway, South Africa, and Uruguay.

Quotas for the Netherlands, Poland, and Finland were all increased by 39 percent to compensate somewhat for the large decreases in allocations to these countries in the 1969-70 marketing year.

The global quota for butteroil and other products containing butterfat remains unchanged at 20 million pounds. Mainland China has a bilateral quota authorization worth $24 million for shipment of butter, unchanged since 1958.

While most of the exporting countries would have welcomed larger individual country allocations, the 63-million-pound increase in the United Kingdom global-import quota was generally well received in all of the supplying countries.

Diseases Affecting USSR Sugarbeets

USSR sugarbeet production for the 1969-70 crop (calendar year 1969) declined almost 25 percent to 71 million metric tons. The cool, cloudy summer weather in much of the sugarbeet belt was very unfavorable for growth; it also provided conditions for the development of certain diseases and harmful insects. Two articles recently published in Russia indicate that diseases and insects probably played an important role in reducing yields in 1969-70 and may again be a significant threat for 1970-71.

While the information for 1969 deals primarily with the Russian Federation, some of these problems probably existed in other sugarbeet areas. The cultural practices used in the Ukraine, Moldavia, and other areas are quite similar to those used in the Federation. Although it is not possible to quantify the losses in sugarbeet production that are due to disease and insects, they appear to have been quite significant.

U.S. Tobacco Exports Steady

U.S. exports of unmanufactured tobacco in March 1970 totaled 41.1 million pounds at a value of $38.8 million, compared with 42.4 million pounds at a value of $37.7 million in the same month a year ago. Exports of tobacco products were up during the month with a declared value of $15.8 million which compares with $13.1 million in March of 1969.

The first quarter shipments of unmanufactured tobacco for 1970 (January-March) were up nearly two-thirds from the same period comparison last year. However, last year's dock strike sharply reduced the volume of January and February 1969 shipments and accounted for a low first quarter movement. Export value of tobacco products during the first 3-month period in 1970 also showed a substantial increase from last year.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	March 1969	March 1970	January-March 1969	January-March 1970	Change from 1969
					Percent
Cigars and cheroots *1,000 pieces*	9,129	6,798	16,496	15,137	−8.2
Cigarettes *Million pieces*	2,136	2,608	4,366	6,510	+49.1
Chewing and snuff *1,000 pounds*	7	3	7	22	+214.3
Smoking tobacco in pkgs. *1,000 pounds*	106	150	212	259	+22.2
Smoking tobacco in bulk *1,000 pounds*	1,732	1,615	2,244	3,894	+73.5
Total declared value *Million dollars*	13.1	15.8	25.5	39.8	+56.1

Bureau of the Census.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	March 1969	March 1970	January-March 1969	January-March 1970	Change from 1969
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	32,565	28,685	41,040	63,364	+54.4
Burley	4,029	4,500	5,731	7,770	+35.6
Dark-fired Ky.-Tenn.	1,466	748	2,036	2,771	+36.1
Va. fire-cured [1]	260	500	856	694	−18.9
Maryland	226	1,580	336	2,952	+778.6
Green River	51	76	51	163	+219.6
One Sucker	19	91	19	129	+578.9
Black Fat	85	273	99	702	+609.1
Cigar wrapper	164	51	243	181	−25.5
Cigar binder	39	—	49	54	+10.2
Cigar filler	202	3	215	101	−53.0
Other	3,304	4,604	4,102	10,938	+166.7
Total	42,410	41,111	54,777	89,819	+64.0
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	37.7	38.8	49.9	84.2	+68.7

[1] Includes sun-cured. Bureau of the Census.

Cumulative fiscal year exports of unmanufactured tobacco from July 1, 1969, through March 31, 1970, totaled 450.5 million pounds at a value of $432.2 million, compared with 409.5 million pounds valued at $365.3 million a year earlier. Although the current fiscal year exports for the 9-month period are 41.0 million pounds above last year, to reach the 1968-69 fiscal year exports of 571 million pounds (which were the fourth largest on record), monthly exports during the remainder of the year (April-June) must average 40 million pounds. Exports of tobacco products during the first 9 months of the current fiscal year totaled $126.8 million, up 10.8 percent from the $114.4 million exported during the same period a year ago.

Singapore's Tobacco Imports High

Singapore's imports of unmanufactured tobacco were down 15 percent in 1969 to 40.9 million pounds, from a record of 47.9 million pounds a year earlier. However, they were still nearly 5 times greater than the 1963-67 average of 8.5 million pounds. The average c.i.f. price of 32.3 U.S. cents per pound compares with 21.2 cents in 1968.

Two-thirds of the tobacco was imported from Mainland China at an average price of 148 U.S. cents per pound. Im-

SINGAPORE IMPORTS OF UNMANUFACTURED TOBACCO

Country of origin	1967	1968	1969	Average 1969 c.i.f. price
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*U.S. cents per pound*
Mainland China	260	29,066	27,127	14.8
Philippines	82	10,799	1,883	3.1
United States	2,774	3,668	7,153	99.5
India	2,472	2,631	2,241	40.8
Mozambique	468	468	1,499	36.9
Others	2,465	1,221	1,002	35.1
Total	8,521	47,853	40,905	32.3

U.S. DEPARTMENT OF AGRICULTURE
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ports from the Philippines dropped to 1.9 million pounds from 10.8 million pounds in 1968 and averaged 3.1 U.S. cents per pound. Other supplying countries included the United States, India, and Mozambique.

Since the annual consumption is less than 10 million pounds and only relatively small quantities of manufactured tobacco products are exported, a substantial amount of the imported tobacco is likely to be re-exported in 1970. Re-exports of unmanufactured tobacco in 1969 totaled 6.5 million pounds, nearly all of which went to West Malaysia.

Spanish Tobacco Growers Organize

Spanish tobacco producers, headed by several farm leaders, have requested the President of the Parliament that growers be invited to participate in the drafting of a tobacco act regulating all aspects of tobacco production and marketing in Spain. Domestic growers claim that they are paid the lowest prices in Europe and demand control over the Tobacco Monopoly concession and a drastic reduction in foreign-leaf imports.

This situation stems from a recent renewal of a contract between the Spanish Government and the corporations Tabacalera, S. A., and Compañía Canariense Marroqui de Tabacos, S. A., which operate and administer the Tobacco Monopoly. The original contract which was sanctioned 25 years ago terminated on March 31, 1970, but was temporarily extended through June 30, 1971. Although indications are that the same corporations will continue to operate and administer the Tobacco Monopoly after June 30, 1971, the new agreement will be subject to certain modifications in present contractual terms with smaller changes aimed at modernizing plants and improving tobacco.

Spain is an important market for tobacco and tobacco products. About 60 percent of the total unmanufactured tobacco requirements are met through imports. In 1968, Spain imported 67.6 million pounds of unmanufactured tobacco of which 9 percent was from the United States. In the same year 4.9 million pounds of cigarettes were imported of which nearly all were of U.S. origin. U.S. exports of tobacco and tobacco products to Spain in 1969 included $3.4 million worth of unmanufactured tobacco, $6.4 million worth of cigarettes, and $1.8 million worth of smoking tobacco.

South African Hops Crop Estimate

South Africa's 1970 hops crop has been placed at 150,000 pounds, 20,000 pounds below last year's harvest.

Imports totaled 795,557 pounds in calendar year 1969, of which 267,654 pounds were packaged for retail sale and 527,923 pounds were bulk hops. The United States supplied 249,400 pounds of the packaged hops at a reported average value of 55 cents per pound. Czechoslovakia and West Germany were the main suppliers of the bulk hops, with the United States supplying only 2,000 pounds. Imports during 1970 are forecast at 913,000 pounds.

SUPPLY AND DISTRIBUTION OF SOUTH AFRICAN HOPS

Item	1967	1968	1969 [1]	1970 [2]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Beginning stocks (Jan. 1)	563	238	134	147
Production	110	130	170	150
Imports	327	584	795	913
Total supply	1,000	952	1,099	1,210
Exports	—	—	—	—
Domestic disappearance	762	818	952	1,093
Ending stocks (Dec. 31)	238	134	147	117
Total distribution	1,000	952	1,099	1,210

[1] Revised. [2] Preliminary.

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